ECONOMIC COMMENTARY

Alberta's Exports up Sharply in 2014

October 31, 2014

Highlights:

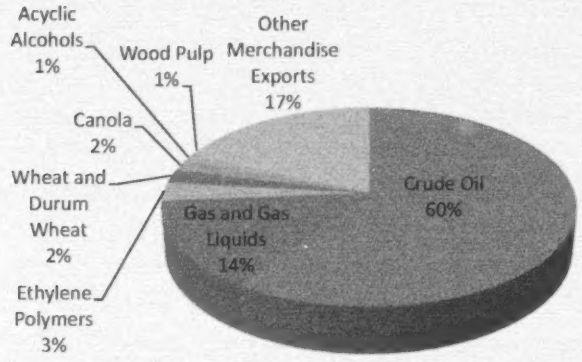
In the first half of 2014, the value of Alberta's merchandise exports increased by 21.6% compared to the same period of 2013, mainly as result of rising natural gas prices and higher crude oil volumes and prices.

Alberta Government

In the first half of 2014, the value of Alberta's international merchandise exports reached $61.2 billion, an increase of 21.6% from the same period in 2013. Export volumes rose an estimated 6%, while prices increased by about 15%.

The two commodities that again dominate Alberta's export picture in 2014 are crude oil and natural gas. Oil accounted for 60% of total merchandise exports in the first half of 2014 and gas and gas liquids for 14%.

Export Shares of Alberta's Largest Commodities in the First Half of 2014 (Total Exports: $61.2 Billion)



Most of the $10.9 billion increase in the value of total Alberta exports can be attributed to crude oil, which increased from $30.1 billion in the first half of 2013 to $36.3 billion in the first half of 2014, and to natural gas, which rose from $4.7 billion to $7.9 billion.

However, the 6% increase in total export volumes was primarily the result of an 8% increase in crude oil export volumes, which in turn was caused by surging oil sands production. Export volumes of synthetic crude oil and bitumen rose 13% and 10%, respectively. Gas volumes fell 6.5% in the first half of 2014. Between the first half of 2013 and the first half of 2014, oil prices rose 12% and gas prices 81%.

Total exports excluding crude oil and natural gas and gas liquids rose 7.6% to $16.1 billion, mainly as a result of strong growth for ethylene polymers, canola, wheat and saturated acyclic hydrocarbons (for use as a power or heating fuel). The largest five commodities following oil and gas are:

- Ethylene polymers, such as polyethylene: $1.8 billion in the first half of 2014; up 16% from 2013 (higher prices)
- Wheat and durum wheat: $1.4 billion in 2014; up 17% from 2013 (higher volumes)
- Canola: $1.0 billion in 2014; up 24% from 2013 (volumes rose 57%)
- Acyclic alcohols, such as ethylene glycol: $800 million in 2014; up 6% from 2013 (mostly due to higher volumes)
- Wood pulp: $769 million in 2014; up 13% from 2012 (higher prices)

Exports are providing a major boost to the Alberta economy in 2014 as both prices and volumes have increased strongly so far this year.